IMF Survey Report on Banks

1129. SHRI K.K. BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether according to an IMF survey report on banks, it has been recommended that a strict state regulation is warranted to stop the poor management trend;

(b) if so, whether the performances and profitability of the Nationalised banks in the country are not upto the mark; and

(c) if so, what concrete steps Government propose to take to check poor management of banks and to improve profitability?

THE MINISTER OF FINANACE (P. CHIDAMBARAM): (a) The IMF Survey has only reported about the Roundtable on experiences on dealing with the banking crises, and there is no direct advice given by the Survey, as such. But it is true that during the Roundtable discussion, the role of the Government in bank restructuring was referred to. However the IMF in their report "International Capital Markets—Developments, Prospects and Key Policy Issues" makes the following comments on the state regulation of Indian Bank "Any recapitalization of the banking system would have to be accompanied by greater supervisory efforts and further efforts to phase out the myriad regulations and to improve managerial autonomy, which both tend to impede the efficiency of operations in the commercial banks".

(b) During the year 1995-96, out of 27 public sector banks; 19 banks recorded net profit and 8 banks showed net losses. Correspondingly during 1993-94, 15 banks showed net profits and 12 banks showed net losses.

(c) RBI/Government of India have taken various steps to further improve the overall functioning of Banks in general and nationalised banks in particular. Specific direction to improve the working of the banks with particular emphasis on upgradation/recovery of NPAs, qualitative credit expansion, reduction of costs, increasing of income/profitability etc. have been given to individual banks.

Proposal to offer 14 percent extra seats to passengers during winter season

1130. SHRI K.M. KHAN: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Indian Airlines propose to offer 14 percent extra seats to passengers for the forthcoming winter season;

(b) if so, details thereof;

(c) whether Government propose to ask Indian Airlines to offer similar extra seats to passengers in every summer season too; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINSITER OF CIIVIL AVIATION (SHRI C.M. IBRAHIM): (a) yes, Sir.

(b) Details of route-wise increase is enclosed at statement (*see below*).

(c) and (d) Details of services to be operated in summer schedule of Indian Airlines will be determined with reference to the traffic demand, availability of aircraft and operating crew.

Statement

Highlights of Winter Schedule 1996-97
(Effective 28th October 1996)

NEW LINKS	FREQUENCY/WEEKLY
Domestic	
Mumbai/Patna/Ranchi/Calcutta & RT	3 A320
Mumbai/Ahmedabad/Jaipur/Calcutta and return	3 A320
Madras/Tirupati/Hyderabad & RT	2 B737
International	
Trichy/Sharjah	2 A320 (Effective 3rd December, 1996)
INCREASE IN CAPACITY (DOMESTIC)	
Mumbai/Delhi	28 A300 + 7 A320 instead of 28 A300
Mumbai/Bangalore	11 A300 + 10 A320 instead of 9 A300 + 12 A320
Mumbai/Goa	7 A300 + 3 A320 instead of 7 A300
Mumbai/Madras	10 A300 + 7 A320 instead of 7 A300 + 10 A320
Mumbai/Coimbatore	3 A320 Terminator-3 A320 (BOM: CJB: IXM:BOM) instead of 4 A320 (BOM:CJM:IXM:BOM).
Mumbai/Varanasi/Lucknow/Mumbai	4 A320 instead of 3 A320
Calcutta/Bangalore	10 A320 instead of 7 A320
Calcutta/Madras	12 A320 + 2 B737 instead of 7 A320
Calcutta/Jorhat/Dimapur/Calcutta	4 B737 instead of 2 B737
Calcutta/Imphal/Guwahati/Calcutta	2 A320
Delhi/Bangalore	7 A300 + 7 A320 instead of 14 A320
Delhi/Hyderabad	7 A300 + 7 A320 instead of 14 A320
Delhi/Varnasi	7 A320 instead of 3 A320 terminator + 4 A320 (DEL:VNS:BBI:DEL)
Delhi/Madras	7 A320 + 14 A320 instead of 7 A300 + 7 A320
Delhi/Bhubaneswar	7 A320 instead of 4 A320 via VNS + 3 A320 terminator
Guwahati/Agartala	3 A320 instead of 2 A320
Hyderabad/Vizag	3 B737 instead of 2 B737
Madras/Bangalore/Pune & return	5 A320 instead of 4 A320
Madras/Bangalore/Ahmedabad & Rt	4 A320 instead of 3 A320
Madras/Bangalore/Goa & RT	5 A320 instead of 3 A320
Madras/Hyderabad	11 A320 + 6 B737 instead of 10 A320 + 4 B737

NEW LINKS	FREQUENCY/WEEKLY	
Madras/Trivandrum	7	A320 Terminator— ISO 3 A320(MAA:TRV) Terminator + 4 A320 MAA:BLR:TRV & RT)
Bangalore/Trivandrum	4	A320 Terminator—

INCREASE IN CAPACITY (INTEkNATIONAL)

Mumbai/Karachi	3 A320 instead of 2 A320
Calcutta/Kathmandu	5 A320 instead of B737 + A320
Hyderabad/Chittagong	B737 instead of 1 B737
Hyderabad/Muscat	2 A320 Terminator— ISO 2 A300 HYD:MCT:SHJ&RT
Hyderabad/Sharjah	2 A300 Terminator—
Madras/Kuala Lumpur	2 A320 Terminator— ISO 2 A300 MAA: SIN KUL:MAA & MAA:KUL: SIN:MAA
Madras/Singapore	2 A300 Terminator—
Trivandrum/Colombo	4 A320 instead of 3 A320
Varanasi/Kathmandu	7 A320 instead of 7 B737

Convertibility of Rupee

1131. **SHRI RAJUBHAI A. PARMAR:**
SHRI SUSHIL KUMAR SAMBHAJIRAO SHINDE:
SHRIMATI VEENA VERMA:

Will the Minister of FINANCE be pleased to state:

(a) what steps if any, are proposed to be taken towards the objective of full convertibility of the rupee; and

(b) whether Government envisages any phased plan for the purpose, if so, the details thereof and by when it would be possible to achieve full convertibility?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) The rupee has been made fully convertible on the current account of the balance of payments. Some constituent items of the capital account, such as direct and portfolio investments, have also been freed from repatriation restrictions. However, a stable macro-economic system supported by credible and consistent macro policies, reduction in fiscal deficit, moderation in inflation, an efficient financial system and a sustained dynamic export performance are some of the essential pre-conditions for moving towards full convertibility on capital account.